

**New Hampshire Racing & Charitable Gaming Commission
Commission Meeting
Concord Office
April 26, 2011
11-05**

Present: Timothy J. Connors, Chairman
Warren W. Leary, Secretary
Michael J. Gatsas, Member
Lynn M. Presby, Member
Bernard A. Streeter, member
Anthony B. Urban, Member
Paul M. Kelley, Director
Sudhir K. Naik, Deputy Director
Charles J. Saia, Legal Coordinator
Steve Johnston, Supervisor Gaming Operations
Billie Jean Arseneault, Gaming/Licensing Supervisor
William Dewhurst, Sr. Auditor
Shawn Graham, Auditor
Linda Glaser, Auditor
Linda Darrow, Administrative Secretary

In Attendance: Rick Newman, Dan Mullen, Dick Bouley, Karen Keelan, Averill Cate, Curtis Barry, Michael McLaughlin, Nick Anzalone, Lisa Bennett and others.

The Chairman called the meeting to order at 11:05 a.m. The Chairman called for the scheduled hearing to begin.

Mr. Christopher V. Watts Hearing

At 11:06 a.m., the Chairman opened the appeal hearing for Mr. Christopher V. Watts relative to the denial of a Secondary Game Operator License for Games of Chance. The chairman swore in those who were to testify:

Mr. Christopher V. Watts
Director Paul Kelley-Director, Racing & Charitable Gaming

After testimony was given, the Chairman asked if anyone else had any testimony or evidence to offer. There were none. The Chairman closed the hearing at 11:14 a.m.

Decision & Order

Appeal of Mr. Christopher V. Watts

Denial of Secondary Game Operator License for Games of Chance

Findings of Fact

1. On February 7, 2011, the Racing and Charitable Gaming Commission (RCGC) received a Secondary Game Operator License Application from Christopher Vincent Watts, 46

Water Street, Boscawen, NH 03303. The application requested employment as a dealer for Oceanfront Gaming, Inc.

2. Thereafter, Gaming Licensing Supervisor Billie Jean Arseneault reviewed Mr. Watts' application for licensure.
3. Mr. Watts noted on his application, at page 2, section 3, item A. that he had not been convicted of any of the felony or misdemeanors as requested on the application.
4. Mr. Watts signed his application on January 20, 2011, and certified that the information which he provided was true, accurate and complete.
5. Pursuant to a duly executed (by Mr. Watts) authorization for the release of criminal history record, the RCGC received a copy of Mr. Watts' Criminal History Record.
6. Supervisor Arseneault reviewed Mr. Watts' Criminal History Record.
7. Supervisor Arseneault noted that Mr. Watts' Criminal History revealed, (among other convictions) that on March 19, 2003, he received a conviction for a Class A Misdemeanor, to wit: Receiving Stolen Property. The Justice of the Concord District Court dispensed a Guilty conviction and a 52 Day House of Correction Sentence.
8. On March 28, 2011, after reviewing the application in conjunction with the Criminal History Record, Supervisor Arseneault denied Mr. Watts' application and notified him of the same via certified mail, return receipt requested. Supervisor Arseneault notified Mr. Watts of his appellate rights and enclosed an appeal form.
9. Mr. Watts filed his Appeal Form with the RCGC on April 6, 2011.
10. In his Appeal Form, Mr. Watts stated that he never intended to mislead the Commission, and that he was unaware that a Class A Misdemeanor conviction appeared on his record, rather he believed that it was a Class B Misdemeanor conviction. He further stated that he has since filed with the Concord District Court "...to have (his) record annulled".
11. On or about April 14, 2011, Legal Coordinator Saia spoke to Mr. Watts and informed him of his Appeal Hearing. Further, Legal Coordinator Saia, on April 14, 2011, notified Mr. Watts of his appeal hearing date (April 26, 2011) via certified mail, return receipt requested.
12. On April 26, 2011, the RCGC convened an appeal hearing regarding Mr. Watts' above-mentioned secondary game operator license denial.
13. At the Appeal Hearing, Mr. Watts provided testimony at the hearing, wherein he stated, among other things, that he had filed a request with the Concord District Court, and petitioned the Court to annul the conviction which is the subject matter of the instant appeal before the RCGC.

Conclusions of Law

1. Pursuant to RSA 287-D:2-b VI, "...no person who has in any jurisdiction, been convicted of a felony or class A misdemeanor within the previous 10 years which has not been annulled by a court, or a class B misdemeanor within the past 5 years which has not been annulled by a court, or who has violated any of the statutes or rules governing charitable gambling in the past shall operate a game of chance licensed under this chapter, ...".
2. Pursuant to RSA 287-D:8, II, the Commission has the authority to determine eligibility and fitness for licensure.
3. The Commission withheld a determination of Mr. Watts' eligibility and fitness for licensure.

Order

The Racing and Charitable Gaming Commission hereby withholds its decision regarding the denial of Mr. Christopher V. Watts' Secondary Game Operator Application for a Game Operator License pending the decision of the Concord District Court, pertaining to Mr. Watts' petition for annulment of his prior conviction.

On a motion by Commissioner Urban seconded by Commissioner Streeter and unanimously voted to approve and place on file the Commission minutes dated March 29, 2011.

On a motion by Commissioner Urban, seconded by Commissioner Leary and unanimously voted to accept and place on file the racing & charitable gaming statistics for the fiscal period ending April 17, 2011. Discussion ensued on whether to remove The Lodge at Belmont from the spreadsheet, since they are closed and their inclusion negatively affects the statistics. It was decided that a note would be added to the statistics stating the Lodge is closed but continues to appear for reporting purposes.

The Games of Chance warning letters/late financials spreadsheets were reviewed. Deputy Director Naik provided an update. He stated all responses had been received and no issues remained outstanding. On a motion by Commissioner Urban seconded by Commissioner Streeter and unanimously voted to accept and place on file.

The Games of Chance State Revenue spreadsheets were reviewed. On a motion by Commissioner Streeter, seconded by Commissioner Leary and unanimously voted to accept them and place on file.

Legal Coordinator Saia provided a legislative update. HB 348 (merger bill) has been amended and rewritten, encompassing SB 136, by Senate Ways and Means. SB 136 has been "laid on the table" from a prior Senate session. HB 348 should be up for a full senate vote on April 27th. Discussion ensued on amendments included in the bill: (a) surveillance equipment to be installed at gaming facilities and how long to retain the video records. Current wording states 90 days. If the bill makes it to Committee of Conference, Director Kelley was asked to change this to a minimum of six (6) months with permission to destroy records being granted by the Commission; (b) as directed by the Commission, Director Kelley wrote a letter to Senator Morse, with a copy to Chris Shea of LBA, requesting consideration be given to place funding back into the RCGC budget for the salaries and benefits of the Commissioners.

Legal Coordinator Saia provided an update on PokerStars.com/PokerStars.net. The FBI recently seized PokerStars.com but PokerStars.net, which is the educational site, is currently up and running. Granite State Poker Alliance, LLC had been previously authorized by the Commission to corroborate with PokerStars.net for marketing purposes only. The Commission granted the corroboration on a 90 day trial basis. Discussion ensued. Since both Mr. Brown and Mr. Timbas, two of the principals of Granite State Poker Alliance, LLC were not in attendance to answer any further questions; the Commission is asking that they attend the next Commission meeting to provide further clarification. In the meantime, Legal Coordinator Saia was asked to gather information on PokerStars.net to present at the next meeting.

New Game Submission:

Staff previously met with representatives from Seacoast Poker, LLC regarding Bad Beat Jackpots-tournament play and cash games. Director Kelley stated this game meets all rule requirements and directives as promulgated by the Commission regarding minimum bet amounts

approved in a previous meeting. Discussion ensued. On a motion by Commissioner Urban, seconded by Commissioner Streeter and unanimously voted to approve Bad Beat Jackpots, as submitted by Seacoast Poker, LLC.

Discussion also ensued to consider that all game operators must maintain a 3-ring binder at each site, containing the rules for each game played on site, stamped with the Commission's seal of approval which, in turn, will simplify the inspection process for the gaming enforcement staff and auditors.

Action Items:

1. *Bingo/Lucky 7 Bona Fide Charitable Member issues:* Work in progress. Update will be provided at the next meeting.

Tabled Items:

1. *Lavoie/Baillargeon bona fide membership status:* In accordance with the Commission's prior directive, Legal Coordinator Saia sent letters to Ms. Lavoie/Ms. Baillargeon on March 29, 2011 requesting proof of their 2010 NEAAU membership be provided to this office within 30 days; otherwise, this item would be removed from the agenda. Ms. Lavoie/Ms. Baillargeon have until April 29th to respond.

Correspondence:

The agency activity report was reviewed and accepted.

Old Business:

As a follow-up to Chairman Connors' request for the Commission to investigate the allegations made by Mr. Joseph Connolly against Seacoast Poker, LLC during his appeal hearing on March 10, 2011 – Legal Coordinator Saia stated an investigation was performed and no further action was required. On a motion by Commissioner Urban, seconded by Commissioner Streeter and unanimously voted to accept and place on file.

For the record, Commissioner Gatsas reminded everyone present that the Commission continues to track account wagering information on a monthly basis and that all balances are currently in line.

New Business: None

For informational purposes, Legal Coordinator Saia informed the Commission that an individual had recently applied for licensure as a secondary game operator. Although the applicant does not have a criminal record in New Hampshire, the applicant has a criminal record in Maine. Crime classifications differ in each state (ex: Maine Class D Misdemeanor seems to resemble a New Hampshire Class A Misdemeanor). The agency intends to deny this individual his license request, with the option to file an appeal. If an appeal is filed, the Commission may need to develop a policy to address criminal records originating in states other than New Hampshire.

Director Kelley addressed issues pertaining to the agency fleet:

- Administrative Services denied the agency's request for two new vehicles.
- The Fiscal Committee questioned the status of M11, the vehicle assigned to the Director. Director Kelley asked for guidance from the Commission and they agreed he should continue to use M11 for agency business.

- The agency is looking into ways to better utilize the current fleet to keep mileage down.
- As the fleet ages, repair costs will increase.

Mr. Rick Newman announced that the Bad Beat Jackpot was hit on Saturday – 22 days in with a jackpot of \$750.00.

Mr. Nick Anzalone of Ocean Front Gaming introduced himself and his assistants to the Commission, thanked Ms. Billie Jean Arseneault for her assistance in processing the necessary paperwork and extended an invitation for the Commission to visit. The grand opening is scheduled for May 31st. Over 100 new jobs have been created with the opening of Ocean Front.

At 11:55 a.m., on a motion by Commissioner Urban, seconded by Commissioner Streeter and by a unanimous roll call vote the Commission voted to adjourn the regular meeting, take a short break, and go into nonpublic session as allowed under RSA 91-A:3, I (b), II(c) and II(j)

Connors	-	Yes
Leary	-	Yes
Gatsas	-	Yes
Presby	-	Yes
Streeter	-	Yes
Urban	-	Yes

At 12:55 p.m., on a motion by Commissioner Urban, seconded by Commissioner Leary and by a unanimous roll call vote the Commission voted to come out of the nonpublic session, and permanently seal the nonpublic minutes.

Connors	-	Yes
Leary	-	Yes
Gatsas	-	Yes
Presby	-	Yes
Streeter	-	Yes
Urban	-	Yes

Discussion ensued on the hearing held earlier for Christopher V. Watts. On a motion by Commissioner Urban, seconded by Commissioner Leary and based on all evidence received and all testimony heard voted for, with Chairman Connors and Commissioner Gatsas voting against, the Decision and Order outlined above in the hearing section of the minutes.

The next meeting is scheduled for Monday, May 16, 2011 at 11:00 a.m. in Pharmacy Board's conference room at 57 Regional Drive. The Chairman closed the public meeting at 1:00 p.m.

Respectfully Submitted,

Warren W. Leary, Jr.
Secretary